Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 AEC-05 AID-05 CEA-01 CIAE-00

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OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01

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P 280945Z JAN 75 FM AMCONSUL ISTANBUL TO AMEMBASSY ANKARA PRIORITY INFO SECSTATE WASHDC 5799 AMEMBASSY LONDON

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EO: 11652 NA

TAGS: BGEN, ENRG, TU

SUBJ: GOT USE OF ATAS TANK FARM FACILITIES

REF: (A) ISTANBUL 252; (B) ANKARA 698

SUMMARY: MOBIL HAS INFORMED MINENERGY OF ITS WILLINGNESS TO MAKE TANK FARM FACILITIES AVAILABLE FOR USE BY GOT. ALSO PLANS TO PRESENT NEW PROPOSAL IN ATTEMPT BREAK DEADLOCK OVER PRICE OF IMPORTED CRUDE OIL. END SUMMARY

1. MOBIL GENMGR CASANOVA HAS ADVISED US THAT LETTER HAS BEEN SENT TO MINENERGY AGREEING TO GOT USE OF ATAS UNUTILIZED STORAGE FACILITIES ON A TEMPORARY BASIS DURING THIS "EXCEPTIONAL" PERIOD. RESPONSE ALSO WILL REAFFIRM EARLIER OFFER TO REFINE GOVERNMENT SUPPLIED CRUDE ON COST PLUS FEE BASIS, AND WILL REITERATE EARLIER REQUEST TO IMPORT FUEL OIL TO SUPPLY MOBIL CUSTOMERS. CASANOVA THOUGHT DISCUSSIONS WOULD BEGIN THEREAFTER TO NEGOTIATE PRICE FOR USE OF FACILITIES. AS FAR AS MOBIL AWARE, GOT PLANS TO IMPORT ONLY FUEL OIL FOR THE TIME BEING, CONFIDENTIAL

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AND PERHAPS LPG WHICH APPARENTLY IN CRITICAL SHORTAGE.

2. MOBIL GENMGR SAID THAT CONFUSION OVER WHETHER GOT DEMAND INCLUDED IMPORTING CRUDE PETROLEUM OCCURRED BECAUSE OF INITIAL RADIO ANNOUNCEMENT JAN 23 IN WHICH ENERGY MINISTRY WAS QUOTED AS READY TO TAKE OVER TANK FARMS OF MOBIL AND BP UNLESS THEY BEGAN IMPORTING CRUDE PETROLEUM WITHOUT DELAY. ACCORDING TO CASANOVA, PRIMIN IRMAK WAS FURIOUS OVER THIS ANNOUNCEMENT AND TELEPHONED MINENERGY ISIK POINTING OUT RADIO ANNOUNCEMENT WAS NOT IN ACCORDANCE WITH GOVT. POSITION AND INSTRUCTIN G HIM TO RETRACT THE ULTIMATUM. AS RESULT ISIK, IN TELEVISION INTERVIEW JAN. 24, SAID GOT REQUEST WAS TO EXPLORE POSSIBILITY OF RENTING UNUTILIZED FACILITIES ON COMMERCIAL BASIS AND DENIED

3. CASANOVA ALSO HAS TOLD US THAT HE INTENDS TO PRESENT NEW PROPOSAL TO MINENERGY ON JAN. 29. HE ASKED THAT THE DETAILS BE HELD CLOSELY. IN ORDER TO FIND WAY OUT OF CURRENT DEADLOCK MOBIL WILL SUGGEST THAT GOT BASE ITS PRICE ON PERSIAN GULF ARAB LIGHT RATHER THAN EASTERN MED. ACCORDING TO CASANOVA, POSTED PRICE PG ARAB LIGHT IS \$10.46 WHICH IS WELL-ESTABLISHED AND UNCONTROVERTIBLE FIGURE. MOBIL HAS APPARENTLY LEARNED THAT GOT HAS UNUSED TANKER CAPACITY AND WILL OFFER GOT USE OF ITS OWN TANKERS TO TRANSPORT OIL. MOBIL ALSO WILLING PROVIDE PG OIL TO GOVT. IPRAS REFINERY AND TO TAKE KIRKUK FOR USE AT ATAS. THE ADVANTAGE OF THIS PROPOSAL WOULD BE TO PERMIT GOVT. TO COVER TRANSPORTATION COSTS WITHOUT PUBLICLY ACKNOWLEDGING THIS AND THUS

THAT COMPANIES HAD BEEN GIVEN ULTIMATUM. HE CHARACTERIZED GOT

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OFFER WAY OUT OF CURRENT IMPASSE.

REQUEST AS AN OPTION.

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Message Attributes

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Subject: GOT USE OF ATAS TANK FARM FACILITIES

TAGS: BGEN, ENRG, TU, MOBIL OIL CO

To: ANKARA

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